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August 19, 2009

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This spring, Rep. Melancon [worked to strip from the federal budget](#) over \$30 billion in new taxes on the oil and gas industry and a proposed repeal of billions of dollars in energy industry tax incentives. These tax provisions, which were included in the President's original budget proposal, would have been a major tax increase on Louisiana's oil and gas industry, discouraging new exploration and production in an already high-risk field.

The FY 2010 passed Congress with no new oil and gas taxes. The budget conference report explicitly said, "The President's budget proposes a variety of other revenue offsets. Unless expressly provided, this resolution does not assume any of the specific revenue offset proposals provided for in the President's budget" [see document page 42; PDF page 44 of the report [here](#)).

At the time, Don Briggs, President of the Louisiana Oil and Gas Association, said **"The tax increases in the President's budget proposal on the oil and gas industry would have been devastating to Louisiana businesses, and Congressman Melancon got that. On behalf of the Louisiana Oil and Gas Association, I thank him for his efforts to prevent this massive tax increase. We look forward to partnering with him in the future to fight for Louisiana's oil and gas industry."**

While today's lease sale primarily covered tracts off the coast of Texas, lease sales in other sections of the Gulf are generating millions of dollars to Louisiana for coastal restoration projects, thanks to a [2006 law](#) supported by Congressman Melancon in the House of Representatives. The Gulf of Mexico Energy Security Act gave Louisiana a substantial share of federal royalties from oil and natural gas drilling off the state's coast for coastal restoration, hurricane protection and flood control projects. The historic legislation, which opened up millions of acres in Gulf for exploration and drilling, is projected to provide for Louisiana a dedicated revenue stream of more than \$13 billion over the next 30 years.

"For decades, Louisiana had been bearing the environmental burden of providing energy for our country, but never received a fair share of the benefits," said Rep. Melancon. "In 2006, our delegation banded together and worked to right this wrong. Today, thanks to that historic legislation, Louisiana gets a significant share of the royalties collected from drilling off our coast, and we have millions in new funding to rebuild our coastal marshes and wetlands."

Western Gulf of Mexico Oil and Gas Lease Sale 210, held in New Orleans by Interior's Minerals Management Service, received 189 bids on 162 federal Outer Continental Shelf tracts from 27 companies. The high bid for each block will go through a strict evaluation process to ensure the public receives fair market value before a lease is awarded. Western Gulf of Mexico Sale 210 statistics are posted on the [MMS website](#).

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